

'Bringing back the classical theory of the cycle, but in a twenty-first century mode, is a real achievement.'

— Steve Kates, *Associate Professor at RMIT University, Melbourne*

A curious thought that the innovations embodied in machinery and other fixed capital, besides growth, also drive recession has received a solid confirmation. From now on, output and employment decline and subsequent jobless recovery can be forecasted in explicit terms of figures and timing rather than of probabilities and possibilities of crisis onset; the short and long runs having been integrated together at that. For these reasons many traditional simplified theories are challenged and it is proposed a constructive framework capable to catch turning points in the economy instead of mere extrapolations and trends. The policy implication is that crises are unavoidable, but they are quite predictable and their depth is manageable.

In addition to this, the classical and neoclassical views on how an innovative economy works and fluctuates are converged and reconciled. As it has turned out, general equilibrium is not altogether general – objective marginalism suppresses a subjective one – the Keynesian easy money is a paradoxical example of doing the right thing for the wrong reason; and financial bubbles are pricked by real structural changes, not the other way around.

This book gives an impetus for development of economic science for another 100 years and provides a fresh perspective on crises and innovation, making it indispensable reading for scholars, researchers, policy-makers and professionals.



Volodymyr Vsevolodovych Ryaboshlyk, is a Ukrainian economist who has had time to conduct research, teaching, publicist and governmental activities. In aftermath of the Orange Revolution he held the position of Deputy Minister of Economy of Ukraine. He received his PhD at the Department of Economic Cybernetics at the Plekhanov Institute of the National Economy, Moscow, Russia; and his M.Sc. in Computer Aided Management Systems (CAM systems) at Kharkiv Polytechnic Institute, Ukraine. He also took the Program for Senior Ukrainian Economists at the

Economics Institute in Boulder, Colorado, USA. His abnormal ideas about a normal crisis were reported at many centres from Tokyo to Paris.

palgrave
macmillan

Cover image © determined



www.palgrave.com

palgrave
macmillan

Crisis And Embodied Innovations

Volodymyr Ryaboshlyk



Crisis And Embodied Innovations

*Fluctuating Trend vs Fluctuations Around Trend,
the Real vs the Financial, Variety vs Average*

Volodymyr Ryaboshlyk

